

**TOWN OF HAMILTON
FINANCE & ADVISORY COMMITTEE
OCTOBER 19, 2013**

The Finance & Advisory Committee met at Hamilton Town Hall at 8:35 a.m. on Saturday, October 19, 2013 with Chair John McWane, Charles Chivako Rick Sprenkle and Nancy Gerardi-Walsh present. Town Manager Michael Lombardo, Finance Director Deborah Nippes-Mena and BOS member Jennifer Scuteri also present.

Call to order

Chair John McWane called the meeting to order at 8:35 p.m. and announced that the meeting was being recorded by Richard Boroff.

Warrant for the STM on November 4, 2013

Article 2-1: Classification/Compensation Table

With the Fire union contract resolved and adjustments were made to the Fire wage table to reasonable market rate (3 year contract with 2% increase for FY'15 and FY'16). The AFSCME administrators' contract remains in a long negotiation cycle since there is resistance to changing to Town Hall hours.

John McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action for Article 2-1. Charles Chivakos so moved. Rick Sprenkle seconded the motion. VOTE: Unanimous.

Article 2-2: Water Enterprise Budget

Discussion ensued about how the water rates will be increasing in January on average by \$100 annually per household, there would conversion of BANS to bonds for debt payment in FY'15 for \$5 million in water infrastructure to replace distribution system, and increase in budget for healthcare, retirement and salaries.

Also mentioned was investigation being done to understand Hamilton's options for purchasing water outside of the Ipswich River watershed. Meetings have occurred between Town Manager Michael Lombardo, interim DPW Director Dave Hanlon and town of Manchester to determine cost of connection (i.e., \$1.5

million), as well as how much water the Town would seek from that municipality and still produce in Hamilton in part to retain the water treatment plant permitting. Manchester's water supply is primarily from ponds and is in the North Coastal watershed. Lombardo said he is examining rate structures as well as if there is available state funding (with Special Counsel Ray Miyares and hydrogeologist Jesse Swaebaum). Discussion addressed how an additional \$5 million capital request will be done in the future for other infrastructure work.

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-2. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Article 2-3: Amendments to Annual Appropriations

Discussion ensued about how this corrects (by \$45,000 for two years in arrears and in part due to change in contract) how the Town treats FLSA relative to how employees get paid for overtime. It was noted that once the reduction in the school budget is realized the net effect on the tax rate is not that much.

Also, discussion was on increase in Health Agent hours by two, and that Lombardo is seeking partners to work together in a regional public health agency that would have to be created at the state level. In addition, Town officials mentioned increase in appropriation for Library Joint program.

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-3. Sprenkle so moved. Chivakos seconded motion. VOTE: Unanimous.

Article 2-4: FLSA Back Pay

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-4 that addresses FLSA back pay for FY'12 and FY'13. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Article 2-5: HWRSD Debt Buker School Heating System

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-5. Chivakos so moved. Sprenkle seconded the motion.

Discussion ensued about how there are \$4.2 million worth of school projects and that it is a lot more than the supporting communities were expecting and there should be a balance as a community about what the Town can afford for the schools and the Town. Also addressed was that improvements at Winthrop School had raised the value of property and land (\$6 million) to the point that Fire officials believe a sprinkler system is required. The building has egress to the outdoors in each classroom so this is not a safety consideration. Discussion was about the two warrant articles for Winthrop School for the heating distribution system including a boiler and window wall at the front of the building amounting to \$3 million which is 50% of the value of the building.

Discussion addressed importance of a meeting with school officials to understand if the supporting communities can afford to do the projects proposed from \$2 million to \$4 million or more along with Town capital projects that need to be done. Town officials focused on \$600,000 total cost for Buker School heating system and that MSBA had approved the project where Hamilton would be responsible for slightly less than two-thirds of \$400,000 cost after MSBA contribution. VOTE: Unanimous. It was noted that the HWRSD would have a presentation at STM.

Article 2-6: HWRSD Debt Winthrop School Heating System and Windows Project

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-6. Chivakos so moved. Sprenkle seconded motion. Discussion ensued about how this is in the MSBA process but has not been approved yet, that the boiler needs replacement, and the replacement of the window wall is a safety issue and there would be energy savings. The total request is \$2.45 million. Finance Director Deborah Nippes-Mena said the project manager would have final numbers at the November 4th STM.

Discussion addressed how meeting could be held with FinCom before STM to learn more from school officials and that Lombardo as well as BOS Chair Marc Johnson were going to meet with HW School Committee Chair Roger Kuebel. Also mentioned was school children's safety relative to them being observed through window wall as well as impracticality of building architecture in New England (i.e., flat roof in an area where there is snow in the winter).

Sprenkle moved that the Finance Committee table its recommendation on the article until a later time. Chivakos seconded the motion. VOTE: Unanimous.

Article 2-7: HWRSD Debt Winthrop School Heating Distribution System Project

McWane entertained a motion for the Finance and Advisory Committee to take no action at this time. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Article 2-8: HWRSD Debt Buker Fire Suppression System

Discussion ensued about how Wenham fire chief did not see this as a priority and the Wenham selectmen did not recommend this be supported but the HW School Committee decided to put this on the warrant for resident vote. Lombardo noted that \$150,000 was set aside previously as the expected cost.

McWane mentioned that this is not a life safety but property protection issue. He added that there is fire suppression system in the school's kitchen. He entertained a motion for the Finance and Advisory Committee to recommend unfavorable action on Article 2-8. VOTE: Unanimous.

Article 2-9: Community Preservation Fund Projects

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-9. Sprenkle so moved. Chivakos seconded the motion.

Discussion ensued about \$15,000 for funding restoration of balustrade at the Hamilton Senior Center and \$35,000 to fund design and construction of the Patton Homestead Riverwalk and related Conservation Commission permitting and Army Corps issues. If volunteers could be used for the project it would be less expensive. Most of the Riverwalk will be on the Essex County Greenbelt Association land and the organization will have an intern assist with permitting. Residents will be allowed to perambulate the property but not in the house. VOTE: Unanimous.

Article 2-10: CPC Funds for the Replacement of the Pool at Patton Park

Discussion ensued about lifespan of swimming pool being 25 years old and the Patton Park pool is more than 50 years old with 80% of infrastructure including

original piping with walls caving in and structure reaching end of life. The pool would require extensive renovations and if it were built in place, estimated cost is \$1.8 million to \$2 million. Lombardo explained that the water in the current pool creates hydrostatic pressure to keep the existing walls up.

Discussion addressed Weston & Sampson that was contracted to do preliminary designs for the pool that include a kiddie pool for a safe place for small children to swim and play. In addition, there is proposal for zero entry for seniors and handicapped in the large pool, so a lift would not be required, attached to a six lane lap pool. Also mentioned was that pool project would be done as a community process and once funding for the pool is approved by voters then as part of RFP process, vendors would be selected from those submitting proposals to do the pool project.

Sprenkle expressed support for need for a new pool but raised concerns heard from residents such as cost (i.e., \$2.5 million) for a facility that only could be used seasonally and lack of any buildings for year-round uses such as functions as well as a concession stand. Town officials explained intent for pool was to have it open for 14 weeks for 12 hours each day, to add more bathrooms and build a bathhouse that meets code as well as a compliant septic system.

The importance of pool for the robust summer recreation programs was noted (i.e., 61 Hamilton and Wenham children are employed each summer) and intent to create better accommodations for families wanting to spend the day at facility.

Discussion also addressed the liability issues for the Town at the park (i.e., ice skating on Weaver Pond). In addition, Myopia Hunt Club has stated it would be flexible about pool project regarding its property line in area to accommodate new pool designs. Also, that the timeline for the project started in September 2012 with the Recreation Department's first request for funding in consideration of not losing more than one summer season for construction where there would not be an operational pool at the park. Also mentioned was whether or not bathroom facilities could be open during sports events at Patton Park beyond the time that the pool is operating.

Discussion was on special events that Town could do mirroring what is done in Weston and how a revenue stream would be directed into revolving fund that would be set up for the pool. Also mentioned was family usage passes ranging from \$500 to \$800 annually for non-residents and how Wenham has voted against financially partnering to fund the pool in the joint Recreation program.

Discussion addressed how it is highly unlikely a cell phone tower would be located at the park.

Also noted were the proposals for use of Community Preservation Act funds, where debt for Donovan land and pool would use portion of \$439,000 annual intake in CPA surcharge and match with \$130,000 a year going into unfunded reserves and \$43,000 each going into other two reserves annually. Also mentioned was that turf field at the High School is going to be privately funded. Jennifer Scuteri noted that Patton Park playground was not funded with CPA funds. Discussion addressed that other uses for CPA funds would be to renovate Town Hall and that would not be ready for action any time soon nor would resident interest in acquiring land (i.e., Pirie property).

Sprenkle outlined how residents need to be educated about how the proposal for CPA funds for the pool represents one-third of the encumbered inflows for 20 years and when Donovan debt is finishing up. Also, that the Town would have competing design bids presented to the community to meet pool and park needs and alternative uses for greater season extension. In addition, there would be a fundraising element, and Town officials thought there could still be a possibility of Wenham voting to help out with the project financially at its annual Town Meeting. It was reiterated that voters need to be notified that there would be no taxpayer cost for pool maintenance it would be paid for through revolving fund. Discussion also addressed resident benefit for those without children.

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-10. Sprenkle so moved. Chivakos seconded motion. VOTE: Unanimous.

Article 2-11: Capital Improvements – Culverts

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 2-11. Chivakos so moved. Sprenkle seconded motion. Funds for this article could be transferred from Free Cash.

Article 4-1: Council on Aging By-law

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 4-1. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Article 5-1: Grant of Septic System Easement

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 5-1. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

Discussion ensued about how the property owner wants to sell property and easement is required because septic system was built just over the property line onto the Town's property.

Article 5-2: Discover Hamilton Trails

McWane entertained a motion for the Finance and Advisory Committee to recommend favorable action on Article 5-2. Chivakos so moved. Sprenkle seconded the motion. Lombardo explained that this may not go forward since there is a dispute with the property owner about the language. An easement was approved for another section of the trail on the Britton property and this is the continuation. The new language opens the area up for hunting and broaches two different properties so it has to be sorted out and may not be ready for STM.

McWane entertained a motion to table this article. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Article 6-1: Free Cash Application

Discussion ensued about Free Cash that will be certified at \$1.9 million for FY'13 on Thursday. Free Cash certified in the spring was from FY'12. The Town's 5% of \$25 million of revenue would define the \$1.25 million in Free Cash and the additional capital set aside is presently \$250,000 and \$50,000 is being used for the culvert which would be replenished. The Town has applied \$443,000 in Free Cash towards reducing the tax rate.

Discussion addressed how there will be a part time hire to address CIP process and develop a five year rolling plan. Also noted was that the HWRSD expects to certify \$1.5 million in E&D. Nippes-Mena noted that cash coming in is from taxes that have not been paid and the average resident is back to paying taxes on time. Discussion was on what could be done with Free Cash to keep the Town's tax rate below \$17 per \$1,000. Also mentioned was HWRSD had returned \$156,000 to the supporting communities in FY'13. The towns had requested an additional \$150,000 from HWRSD that was received from the State and was more than

expected be returned to the municipalities, the School Committee will be voting on that. Also mentioned was consideration of valuations and impact on budget.

In addition, there is good financial prospect for the future with Hamilton having seven new houses being built in Town but there remains a need for tighter budgeting by the school department with excess funds (i.e., could be as much as \$460,000) to be returned to the towns.

McWane entertained a motion to apply \$150,000 of Free Cash to the tax rate. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.

Approval of minutes of previous meetings – July 15 and August 29, 2013

McWane entertained a motion to approve the minutes from previous meetings dated: July 15 and August 29, 2013. Chivakos so moved. Sprenkle seconded the motion. VOTE: Unanimous.


Fiscal Review

Nippes-Mena summarized the financial status for Town noting that Hamilton is in a stable position managing its cash flows. She described quarterly report details where Hamilton is on track compared to the last three fiscal years and noted that Town has collected 23% of its projected revenue. Also, that the contribution from Gordon Conwell Theological Seminary is not expected to change. Town officials noted that there is a meeting with Selectman Jeff Hubbard on Monday, October 21 to discuss quarterly financial report.

Set next meeting date

The FinCom's next meeting is scheduled for 6:00 p.m. at HW Regional High School on Monday, November 4. McWane entertained a motion for the FinCom to adjourn at 11:00 a.m. Sprenkle so moved. Chivakos seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST:  11/11/14
Clerk